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ABSTRACT

Included in the progress report of the Long Range Financing Task Force (LRFTF) of the National Association of Educational Broadcasters was the suggestion that a target of practical and desirable growth for Public Broadcasting over the next five years be specified. This paper offers a proposal in response which considers federal and non-federal funds, incentives, provisions for practical system growth and development, the designation of appropriate accountability, and the requirement for program reassessment prior to proceeding to the next time period. The Corporation for Public Broadcasting Basic Support Fund, the Station Operational Support Fund and the Station Facilities Support Fund are the basic parts of the proposal for which the diverse funding and responsibilities are illustrated. In conclusion this paper provides specific recommendations to the eleven tentatively agreed upon principles of the LRFTF. (MC)

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PUBLIC BROADCASTING DEVELOPMENT - THE NEXT STEP

Presley D. Holmes

November 1972

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"Public Broadcasting Development
- The Next Step"

ETS Statement on Long Range Financing

Long range objectives and goals for Public Broadcasting, including growth projections for additional stations to serve local communities and cost projections for both capital and operating expenses, were presented in a progress report on the work of the Long Range Financing Task Force in a speech delivered by Joseph Hughes, Task Force Chairman, at the NAEB Convention on October 30, 1972.

Educational Television Stations heartily endorse the report and the general principles which were tendered. We offer for the consideration of the Task Force, as well as all station members across the country, additional specific details to help forward the deliberations into a more specific implementation plan.

In the five years since the Public Broadcasting Act of 1967, there has been substantial and significant growth in providing service to new segments of the American public and vast improvement in the quality and quantity of local and national programming. There is still much to be done, as the LRFTF report indicates.

It is our proposal that another specific period of time be identified, another five years, and that a target should be detailed specifying the growth that is desirable and practical - within the reasonable realm of attainment. We do not believe that the "ultimate" shape of public broadcasting can be achieved in five years; nor would it be reasonable to expect that such a system could even be satisfactorily defined today so that changes or modifications would ever be necessary. Financial uncertainties and technological developments mitigate against even the wisest and most prescient individual ever risking a precise and final statement on the ultimate configuration and mission of public broadcasting.

This document does not purport to be even the penultimate statement; it merely offers the following proposal for the next growth period of Public Broadcasting.* It includes both federal and non-federal funds, incentives, provisions for practical system growth and development, designation of appropriate accountability, and requires reassessment prior to moving on to the next growth period.

In trying to describe anything with the complexities and interrelationships that exist in public broadcasting, there is always the problem of finding the appropriate balance between enough specificity so that the concepts are sufficiently clear and including so many precise figures and details that they obscure proper appreciation of the principles which the specifics are designed to illustrate.

It is hoped that the proper balance has been struck and that the ideas offered here will prove useful to the discussions and deliberations of the Long Range Financing Task Force and the public television stations throughout the country.

Highlights

There are three basic parts to the proposal which addresses both the source of funds and the appropriate entities responsible and methods for their expenditure:

1. CPB Basic Support Fund from federal sources, not dependent on non-federal tax or private support or imposing any matching requirement, on the order of $100,000,000. The basic support for the national agency, CPB, is the federal government.

2. Station Operational Support Fund from federal general revenues based on a matching ratio beginning with a federal amount equal to one-half of the total non-federal support. At current levels, minimum federal funding would be in excess of $70 million. The basic operational support for

*Radio and television are generally included, but specifics are detailed primarily for television broadcasting, and there is no presumption that the following materials are appropriate or applicable to radio.

stations, local entities, is non-federal funding - always to be in excess of 50%. The Station Operational Fund has two essential parts, divided equally.

A. Station Grants for local budgetary control

B. Program Bank primarily for national program acquisition, production and distribution, but with provisions for regional and local flexibility.

3. Station Facilities Support Fund from federal general revenues, primarily for expansion/improvement grants to existing stations, but also providing for the orderly addition of new stations to take another step toward service to all the people, on the order of $40-50 million annually.

In addition to these basic parts, also described are three means for funding national program acquisition and production, a national program library and archives, and possible application of partial financing through the issuance of government guaranteed bonds.

The proposal expanded below illustrates diverse funding sources and appropriately diversified responsibilities. Again, specific figures are used as examples only - within a range that is felt to be realistic - solely to help clarify conceptual understanding not to define targets.

1. CPB Basic Support Fund

It is proposed that federal funds be authorized by the Congress for a five-year total of $100,000,000, with a maximum limit of $30,000,000 in any given year. The guaranteed total over a five-year period along with the limitation for any given year would allow CPB flexibility in management and future planning, i.e., circumstances may be such as to require a large outlay as start-up costs for a certain project which would be reduced in succeeding years. This method is preferred over a gradual step increase of a fixed increment each year. The question of whether these funds might come from general revenues or government guaranteed bonds is treated in a later section.

Discrete predictable federal funding, not private support, is necessary for basic CPB support, in the best public service interests of the total American population, so that CPB may perform its necessary national role of leadership, study of future directions including new technology, provide station development support such as incentive/upgrading grants, loan funds, services for new licensees not yet contributing to or sharing in the Station Operational Support Fund (see below), experimental and innovative programs, research, planning and evaluation. CPB's basic role is future oriented, not day-to-day operation.

Note that more than 90% of CPB's planned FY 73 expenditures are accommodated in the Station Operational Support Fund detailed below. Therefore, even if the CPB Basic Support were averaged over the five-year period, the $20,000,000 would more than quadruple present funds available for CPB's discretion to expand support of existing activities or add new ones.

2. Station Operational Support Fund

It is proposed that federal funds from general revenues equal to not less than one-half of the total non-federal dollars reported by non-commercial broadcasting, computed annually for the next five years, be authorized by the Congress. This fund would be administered by CPB with expenditures authorized as described below. (Note also that a detailed study of what types of income would be eligible and acceptable to the appropriate federal agency, probably GAO, is necessary prior to implementation of this proposal.)

The Station Operational Support Fund should be allocated proportionately to separate radio or television funds, i.e., the television stations' Fund is the federal share of the total non-federal funds reported by television entities, the radio Fund is the matching of the total non-federal dollars reported by radio. If, for example, $168 million in non-federal support was reported, $144 million from television and $24 million from radio, then the Federal appropriation to the TV Station Operational Support Fund would be $72 million and to the radio Fund would be $12 million, at the minimum ratio of one-half federal to non-federal.

Simply because of the mechanics and time delay factors built in to this proposal, i.e., a federal appropriation would be based on a prior year's report of non-federal funds, it is clear that the federal share of station support, even at the minimum one-half federal matching, would be less than 50% of current income - assuming continued growth in non-federal funds. In terms of total budget (non-federal plus federal) the federal funds would be less than 33%. In no case should federal funds exceed 50% of an individual stations's income during this next growth period from this Fund.

It should also be noted than only half of the federal matching becomes a part of an individual stations' budget (the other half being deposited in the Program Bank, see below) so, in effect, the average impact on a local budget is on the order of 16-17% at the minimum federal/non-federal ratio.

With these factors in mind, then, it is proposed that 50% be the minimum federal match to non-federal income, and that the federal percentage should increase gradually throughout the five-year period: from 50% to 54% in the second year, 58% in the third year, 62% in the fourth year and 66% in the fifth year.

Following the analysis above, 66% federal matching represents only slightly more than 40% of the total system operational budget (66 of 166), and since just half of the federal funds appear in a stations' local budget, federal operational funds would only amount to approximately 20% of each stations' total annual operating cost.

This procedure is not recommended or represented to mean in any way that such federal funds or percentages are sufficient for a fully developed system.

During the next growth period, however, such funds will represent a substantial increase in funding for public broadcasting; they can be wisely and responsibly spent. It is felt to be important in this growth period to recognize that there will be further developments in the structure and relationships of the federal government -- both the congress and the administration -- CPB and the stations. Until these relationships become more clearly defined, the readily acknowledged compromise offered here is felt to be a reasonable "options open" proposal.

The matching method of generating the Station Operational Support Fund would also have built in plan-ahead features for the stations. As soon as a station computed it's non-federal income, it could also compute the amount to be received in the subsequent fiscal year and thus set more definite and longer-range objectives.

A. One-half of the Station Operational Support Fund would be distributed to the stations for local budgetary control:

1. 50% as a basic grant divided equally among all eligible applicants.

2. 50% distributed by a formula based on population, income, and initiative in securing non-federal support.

The fifty per cent of the television Station Operational Support Fund (for example, $36 million) for local budgetary control would be distributed to the stations on a two-step basis: one-half to all eligible applicants ($18 million: assuming 150 recipients, the basic station grant would be $120,000 each), and the remaining half based on a formula comparable to that approved by the television stations which is based on population covered, adjusted gross income and an incentive factor for rewarding local effort in increasing funding. (Revisions are necessary after FY 73.)

Reports of the purposes for which these funds are proposed and used for local station needs would be made on an annual basis to CPB, along with the report of total non-federal income for use in the subsequent appropriations/accountability process.

B. One-half of the Station Operational Support Fund would be reserved primarily for national program acquisition, production and delivery, allocated to a Program Bank, administered by CPB with expenditures authorized by the stations.

1. 25% minimum would be assigned for the operation of an interconnection system, regionally configured. (Continuing the example: $9 million minimum.)

2. 50% minimum would be assigned for the acquisition and/or production of programs for national distribution. ($18 million minimum.)

3. 25% maximum would be a flexible fund to be utilized for national, regional and/or local acquisition/production and distribution. ($9 million maximum.)

Both the decisions on national programming and the day-to-day mechanics and operational responsibility of program acquisition, production, promotion, publicity and distribution can and should be in the hands of the stations and an operational agency resonsible to the stations. These funds are proposed to be generated based on non-federal funding of the stations, it is appropriate that they determine how the funds are spent. Placing such substantial funds in control of the stations would surely result in increased responsibility. They would be their dollars and their decisions; the stations would be accountable and would have no one to fault but themselves.

The elements which need to be accommodated in this share of the Station Operational Support Fund include both the acquisition/production and delivery of programs for national, regional and local use. There is also a time dimension: the need to guarantee basic funds for efficient planning over a period of years, as well as flexibility and authority to make decisions to meet unforeseen or unpredictable needs.

These decisions should be made by a body elected by the stations, and its members should be from the stations --- both the management and public level -- so that there is representation from the professional and lay communities.

The three sub-points setting minimums and maximums are designed to provide both the guaranteed basic continuity (#1 and #2) for delivery and production, and the flexibility to accommodate to changing circumstances and less-than-national needs (#3). Deliberations of this group must decide how much of the funds in item #3 should be distributed for services necessary in items #1 and #2 as well as allocations for regional and/or local program production and distribution. Depending

upon expressed needs for services as requested by the stations, the percentages in the three categories would vary from year to year. One year might be 26%, 62% and 12%, another year might be 29%, 51% and 20%, and so forth.

It should be noted that there are some similarities in this portion of the proposal to the PTV Program Financing Plan descibed in the October issue of the Educational Broadcasting Review: "...the ongoing program decision-making function would accrue to the stations. The public television stations would become the system operators in every respect, working individually and through their designated agencies. All program decisions, good or bad, from the decision to fund to the decision to broadcast, would be their responsibility alone."

There are similarities, yet there are significant differences as well. This proposal does not envisage a cooperative; it proposes to place a certain portion of funds in a Program Bank with specific guidelines for minimum and maximum expenditures for certain services. These Program Bank funds do not become part of a local station budget, although still subject to station approval for expenditure, which lessens the spectre of sizeable funds leading to potential control, or the damaging effect of causing a reduction in non-federal support. It also assures that certain national services are guaranteed at minimum operating levels over a sustained period which will allow for longer range planning.

It is suggested that a system of shares or credits can be developed, bank accounts in a sense, in the name of each individual station. As explained above, each station would regularly authorize the minimum withdrawals from the account: 25% for interconnection and related services, 50% for national program acquisition/production. After recommendations from the station-elected body, solicited from the stations and national agencies, had been formulated for the total annual expenditure, stations would be given the option to authorize as proposed, allocate elsewhere or merely keep in the bank its share of the flexible 25%.

In other words, a strong case would need to be made for any increase above the minimum for national distribution and program production. Likewise, plans can be developed which would not require 100% participation by all stations, allowing those that wished complete freedom of choice for the flexible fund.

In this description of allocation of half of the Station Operational Support Fund, many aspects of the PTV Financing Plan are applicable, which will not be further detailed here. The basic point is that the stations are responsible.

These funds, however, are not proposed to be the only source of funds for national programming. It would seem appropriate to discuss other aspects of national programming, prior to detailing the Station Facilities Support Fund.

National Programming - Other Sources

It is the intent of this proposal, as was suggested in the section which briefly described the role of CPB, that the Board of CPB be placed in the appropraite and critical role in the overall perspective of national programming. It is CPB's responsibility to examine and determine what the national long-range programming needs are, to look ahead while production and utilization are in process, to evaluate the totality of programming both before and after station use (or rejection).

The CPB Board would be informed of decisions made by the station-elected national program production and distribution group referred to above. It would be CPB's prerogative and responsibility to question, cite imbalances either in terms of too much, too little or not at all. After analysis, CPB could not require any subtractions, but certainly could and should make additions. It has been mentioned that CPB would use some of its basic support for experimental and innovative programming; put another way, it may use some of its funds for the production of national programs which it feels should be made available to the stations, but which were not proposed or funded from the Station Operational Support Program Bank. When and if CPB

does fund such programs they are automatically added to the list of programs from which stations may select. The scheduling of the interconnection service, as stated earlier, is in the hands of the stations or a station-created agency, so stations will have ready access to these and any other programs.

Another source of funding for national programming is the private sector. Such funding has proved to be of great benefit in the past and it should be encouraged and expanded in the future. These funds should be sought by CPB and programs resulting from them should also be made available for selection by the stations. To reinforce a point made earlier, CPB should not have to depend on such funds for matching federal funds. Private funds provide an extra margin for excellence and diversity.

Briefly, programs produced for national distribution come from three sources: (1) station-generated federal matching funds with expenditure determined by the stations, (2) CPB Basic Support federal funds with expenditure determined by CPB, and (3) private funds with expenditure basically determined by the fund source but in cooperation with CPB. This diversity of funding sources and authority to disburse such funds is proposed as a workable answer to the problem of "insulation" from undue influence on national programming. Using the example figures, the Program Bank could fund $18 million, CPB $14 million and the private sector $4 million for a total of $36 million for national programs as a reasonable possibility in the first year of this plan.

National Television Library

The presumption of the above discussion on national programming was that funds were to be expended for "new programs, or those that were being made available to the stations for the first time. Experience has demonstrated that many programs, particularly those which do not deal specifically with timely events, are useful over a period of several years for additional broadcast by the stations. A national library of such programs should be developed further, and it is expected that with each succeeding year an increasingly valuable library of program materials will be accumulated. The procedures followed by the ETS Program Service and continued with the Public Television Library are valuable precedents, especially the Program Selection Committee drawn from individual stations throughout the country.

The library will also be the depository of all programs which were not selected to be delivered on the interconnection service, but would be made available to all stations on tape and/or film. Use of any programs from the library would result in a charge to the using-station. A station may pay for the program either by using "credits" from the flexible share of the national Program Bank or from funds in the station's local budget. Charges should be sufficient to meet normal operating expenses of the library plus a substantial amount as a return on program investment. Such return should be credited to the source of the program production funds. If the program came from the Program Bank, those funds would be available there for additional uses, such as piloting future productions; if the program came from CPB or national private sources through CPB, the return would go to CPB for use at its discretion.

Development Bank - Government Bonds

It is at this point that the source of CPB's Basic Support deserves further discussion. Proposals have been made suggesting that CPB financing come from government guaranteed bonds, but the problem has been to determine how those bonds might be redeemed. The Long Range Financing Task Force is studying this matter; if it is determined that proceeds from use of CPB or privately financed programs from the national television library would be sufficient to redeem the bonds, we would recommend that method of federal funding for CPB. Otherwise, federal funds from general revenues should be appropriated for CPB Basic Support. In either case, CPB should exercise supervision of the library, but expecially so if the bond-financing method is feasible. Also, a national archives of television programming still needs to be properly implemented; this is related to the library, requires a longer-range perspective, and is logically a CPB responsibility.

Other Considerations

·CPB would be responsible for system planning, growth and development; it would be responsible for any new station for interconnection, general support, etc., until such station reported non-federal income and thus became a supporter of and eligible to share in the Station Operational Support Fund. Continued system growth would become a plus factor rather than a minus caused by the need to spread non-expandable funds to more locations. The flexible funding matching appropriation would provide entry into the regular system at a point when additional dollars would result from such entry.

·Eligibility criteria and a distribution formula for television stations have been approved by the Television Stations for FY 73.

It is part of this proposal that the Eligibility Criteria apply to the station grant part of the Station Operational Support Fund. Upon the adoption of this proposal, the entire document should be reviewed since there are some obvious changes which would be required. For example, special provision #4 would be removed and the provision for such station upgrading funds would apply to the CPB Basic Support allocation.

·The Distribution Formula accepted by the Television Stations for FY 73 is subject to annual review, regardless of the outcome of this proposal. Such a review is already underway, and pending its outcome recommendations for further modifications are inappropriate at this time.

3. Station Facilities Support Fund

The present federal support of broadcast facilities should be vastly increased through the Educational Broadcasting Facilities Program in the U.S. Office of Education.

A. For expansion and improvement grants, the Congress should appropriate from general revenues no less than an average of $200,000 for each television licensee for each of the next five years, or approximately $32,000,000-$42,000,000 annually. A critical matter here, to insure local station control of programming, is videotape equipment. Even at the amount suggested, it would take two years for all stations to be minimally equipped.

B. For activation of new television broadcast stations, it is anticipated that an average of one transmitter will be added each month for the next five years. Given the present total of transmitters (232) plus those in process and expected on the air prior to June 30, 1973, the total at the end of the interim period will be nearly 300. This figure approaches the one which has been used as the ultimate system size, and a reappraisal would be in order - taking into account new technology and delivery systems such as satellites and cable. At an average of $500,000 each, the amount necessary would be $6,000,000 for each of the next five years, appropriated by the Congress from general revenues.

The combined total for television expansion-improvement and activation funds would be $38,000,000-$48,000,000 annually in the Office of Education Educational Broadcasting Facilities Program. These figures are predicated on the projections of the Long Range Financing Task Force, that a range of 50-75% of facilities costs should come from federal funds. At the 50% level, the total of federal and non-federal funds would be in excess of $400,000,000 for the five-year period. The following charts are offered as examples to help visualize and conceptualize the proposals detailed above.

Example Only

Possible Federal Funding Levels FY 75 through FY 79

	CPB* Basic Support	Adm by CPB Station Support Fund: Total Non-federal**	Adm by CPB Station Support Fund: 50% Station Grants	Adm by CPB Station Support Fund: 50% National Program Production and Delivery	Total Federal through CPB	Total Federal through EBFP***
	000,000 $	000,000 $	000,000 $	000,000 $	000,000 $	000,000 $
FY 75	10-30	(50% of 144)	36	36	82-102	38
FY 76	10-30	(54% of 158.4)	42.8	42.8	95.6-115.6	40.4
FY 77	10-30	(58% of 174.2)	50.5	50.5	111-131	42.8
FY 78	10-30	(62% of 191.6)	59.4	59.4	128.8-148.8	45.8
FY 79	10-30	(66% of 210.8)	69.5	69.5	149-169	47.6

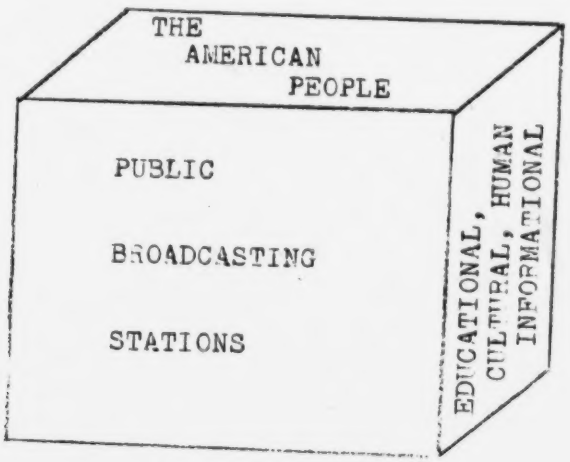
*Maximum total : $100,000,000.

**Estimated non-federal income, for example purposes only, to increase 10% each year; figure based on reports of non-federal income 2nd prior FY to that listed in left hand column.

***The confusion among licensee, station and transmitter is not attempted to be solved here. For simplicity and example purposes, the number of expansion-improvement recipients is increased by 12 each year; there is also an assumption that there would be non-federal funds equal to from one-half to an amount equal to the federal funds shown.

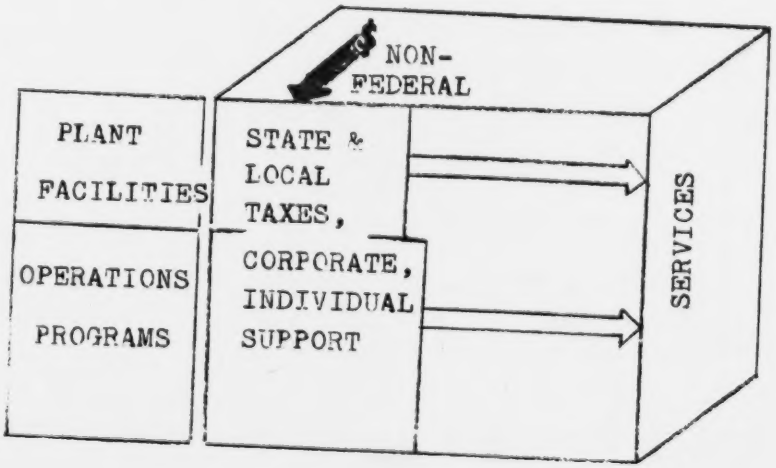
Service, Structure and Support for Public Broadcasting

The Public Broadcasting stations exist to bring the American People educational, cultural, informational, and human services - a three-dimensional relationship.

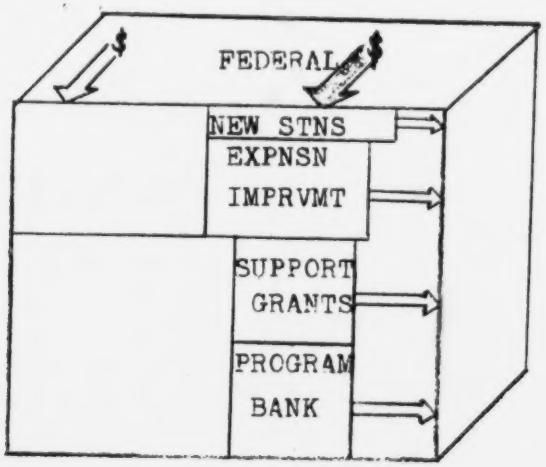


To carry the stations from meeting basic locally defined needs to substantial service, leading toward the goal of full service, the stations need financial support for operations - programming and plant-facilities.

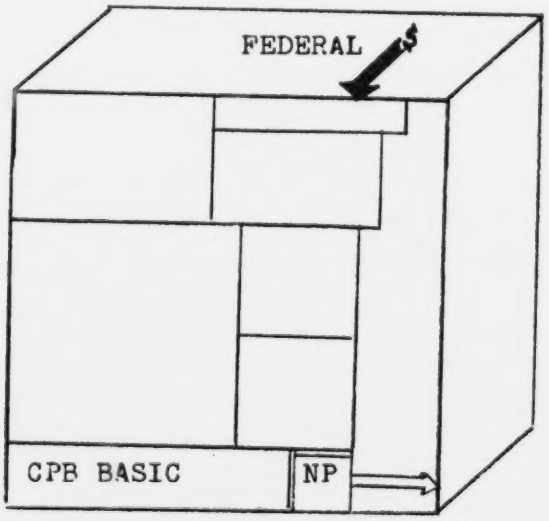
Funding for the stations comes from the people for whom the service is dedicated, through local tax, corporate and individual support (non-federal),



and from federal general revenues: for operations-programming, half under local budget control (support grants) and half to the national Program Bank; and for plant-facilities primarily for expansion-improvement, but also for new station activation.

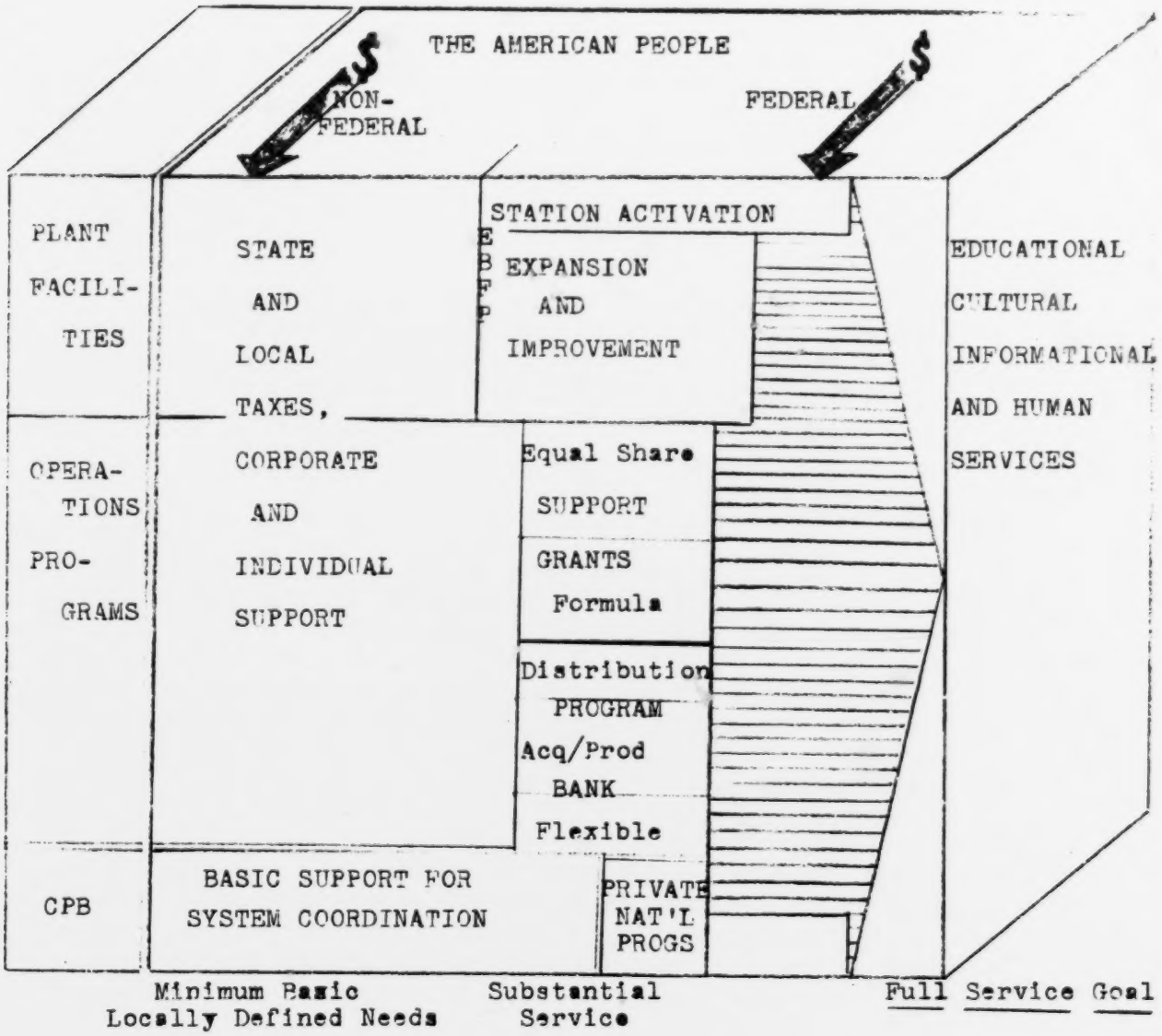


Undergirding and giving national coordination and leadership to public broadcasting is CPB, which gets its basic support from federal funds - not subject to matching requirements;



supplemented by private funds for national programming (N.P.)

Graphically, then, this proposal would still leave much to be done, but would result in substantial progress toward the full-service goal of educational, cultural, informational and human services to the American people.



Services

The above outline proposal for generating and distributing federal funds - based heavily on continuing and expanding the existing major share of funding for public broadcasting in which well over half of all licensee support comes from local sources - mainly institutions such as schools, universities and other local and state public agencies - has only generalized the services necessary, the reason for existence. Financing, from any source, is a function of service provided. It does not simply result from the mechanics of structure. This calls for defining the roles of public broadcasting in more precise ways than have been heretofore detailed.

The delineation of services and definition of the roles of public broadcasting must be accomplished along with the development of this proposal. A start has been made with the ETS Station Operational Needs Survey, and that document, based on input from the stations who are responsibly and responsively setting forth their own local objectives and goals, will be a valuable companion piece to this proposal. Such information from the local stations must precede and affect national determinations.

Summary

It is our belief that this proposal is responsive to and supportive of the eleven principles tentatively agreed upon by the Long Range Financing Task Force.

"1. The principle share of the operating expenses of public broadcasting should continue to come from non-Federal sources. But it is entirely appropriate and necessary that Federal funds be a part of a total financing plan."

This proposal for Federal funds for station operational support to be provided in an amount starting at one-half of the total non-federal income would result in an approximate average of Federal funds comprising one-third of the total station operating expenses, but not more than forty per cent.

"2. The Federal contribution should be designed in such a way as to provide incentives for increasing non-Federal financing."

The matching proposal to provide funds for the stations is incentive-based. Specific refinements in the Distribution Formula can enhance incentive features.

"3. Financing of public broadcasting should not impose unreasonable burdens upon any segment of the economy but rather should be designed so that those who benefit -- essentially the public at large -- should pay."

Federal funds from general revenues are proposed as the source of input to the Station Support Funds. Well over half of the non-federal funds are from state and local taxes. Membership, auctions, and pledge nights are other examples of raising funds from those who benefit.

"4. If Federal funds are appropriated in whole or in part by a matching system, a portion of those funds should be returned to the stations on an equitable basis which reflects local effort."

Federal funds for public broadcasting are provided in part based on a matching system, a portion of which are returned to the stations, a portion of which are reserved for national program production and delivery.

"5. If Federal funds are appropriated, there will need to be accountability to the Congress in the use of these funds."

All Federal funds for operation are under the administrative supervision of the CPB, which is accountable to the Congress on behalf of the stations. Facilities funds would be accounted for by USOE on behalf of the stations.

"6. The need for insulation against undue pressures from whatever source is particularly important with respect to the financing of national programming."

Insulation cannot be legislated. It can best be achieved by assuring and developing a diversity of funding sources: by having national program production made available through Station Support Funds, CPB Basic Support Funds and private sources with selection for broadcast determined by the licensee. Responsibility for funding the bulk of national programming would rest with the stations; they would be spending their money.

"7. Long-range planning, which is based on a reasonably assured level of future funding is essential to a viable public broadcasting industry capable of producing high-quality services and programs, locally and nationally."

Long-range planning would be a primary responsibility of CPB based on input from the stations (see also #10), and CPB would have an assured level of funding, not subject to the vagaries of non-federal funding fluctuations which are beyond its control.

"8. The financing of facilities is as urgent as the financing of operating expenses, and the funding level must be increased to meet system needs."

The federal funds proposed are not sufficient for the ultimate system, but are sufficient for reasonable growth. In terms of technological obsolescence, such funds are necessary to keep existing stations properly equipped, even after upgrading of the present inadequate equipment. The impact of new technology will continue to be monitored by CPB, and revised recommendations made prior to the end of this next growth period. The goal of 90% of the population may well be reached in this period, which is further cause for reassessment.

"9. It is both appropriate and vital that private underwriting of local and national program costs continues as an important method of financing."

Local underwriting is encouraged and will help raise the total of non-federal income - which will be matched for the Station Support Funds. National underwriting, through CPB, is encouraged to provide additional options to the stations for the selection of nationally produced programs to meet local needs.

"10. The development of a plan for the system's growth, the strengthening of local planning and management capabilities and the setting of priorities which can be translated into specific local and national objectives are all essential to the achievement of long-range financing."

Such a need is strongly endorsed and further specifics will be provided in another document.

"11. The development of a strong and effective public broadcasting industry requires that the Corporation for Public Broadcasting continue to play a leadership role as envisioned in the Public Broadcasting Act of 1967."

The leadership role of CPB is vital and is provided for in this proposal.

A twelfth point was also indentified, which had not been formally articulated by the Task Force, "any long-range financing plan should be flexible enough to accommodate involvement in cable, satellites and new technology." We believe that that activity is and can be provided for in the CPB Basic Support.

We submit this proposal for the serious consideration of the Long Range Financing Task Force and to "the huge and pounding heart" of public broadcasting: the stations. It is designed to stimulate discussion, not to be the ultimate answer. It is hoped that it will be useful in helping the Task Force reach its goal of improving the financing for all of public broadcasting.